



# DEA INVESTIGATION: INTERNET PHARMACIES

*April 2013*

*Proprietary and Confidential*





# Agenda

## Legal Issues

1. Overview of Investigation
2. Cooperation
3. Key Components of the Non-Prosecution Agreement

## UPS Compliance and Audit Function Overview

## Online Pharmacy Compliance Program Overview

1. Components
2. Implementation



# Agenda

## Legal Issues

1. Overview of Investigation



## DEA Investigation Overview

- The DEA began investigating UPS's provision of services to online pharmacy customers in May 2007, as part of its enforcement activities with respect to legitimate businesses it believes help illegal online pharmacies.
- Three, <sup>(b) (4)</sup> [REDACTED] subpoenas to UPS in 2007 – 2008:



# DEA Investigation Overview

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# DEA Investigation Overview

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March 29, 2013 UPS And Government Execute NPA



# Agenda

Legal Issues

2. Cooperation



# Cooperation

## UPS Cooperation:

Government acknowledges as a basis for the agreement UPS's ongoing cooperation with DOJ in the investigation in its March 29<sup>th</sup> Press Release:

UPS has cooperated fully with the investigation and has already taken steps to ensure that illegal Internet pharmacies can no longer use its services to ship drugs. These voluntary improvements will be strengthened by the compliance program UPS will implement as a condition of this NPA.

U.S. Attorney Haag commented: "We are pleased with the steps UPS has taken to stop the use of its shipping services by illegal on-line pharmacies. Good corporate citizens like UPS play an important role in halting the flow of illegal drugs that degrade our nation's communities. We are hopeful that the leadership displayed by UPS through this compliance program will set the standard for the parcel delivery industry and will materially assist the federal government in its battle against illegal Internet pharmacies."

DEA Administrator Michele M. Leonhart. stated "This investigation is significant and DEA applauds UPS for working to strengthen and enhance its practices in order to prevent future drug diversion."

FDA Office of Criminal Investigations Director John Roth added: "The FDA is hopeful that the positive actions taken by UPS in this case will send a message to other shipping firms to put public health and safety above profits."





# Agenda

Legal Issues

## 3. Key Components of the Non Prosecution Agreement



## NPA Key Components

UPS (defined broadly) will not be prosecuted upon fulfilling certain conditions for two years:

- Pay \$40mm
- **Adopt Online Pharmacy Compliance Program**
- Admit to Statement of Facts
- No public statement contradicting Statement of Facts
- No violation of federal or state law
- Accept responsibility and cooperate for as long as the government investigates/prosecutes online pharmacies
- Breach of agreement will subject UPS to prosecution



# Agenda

UPS Internal Audit, Compliance & Ethics Department Overview



## Global Compliance & Ethics Program



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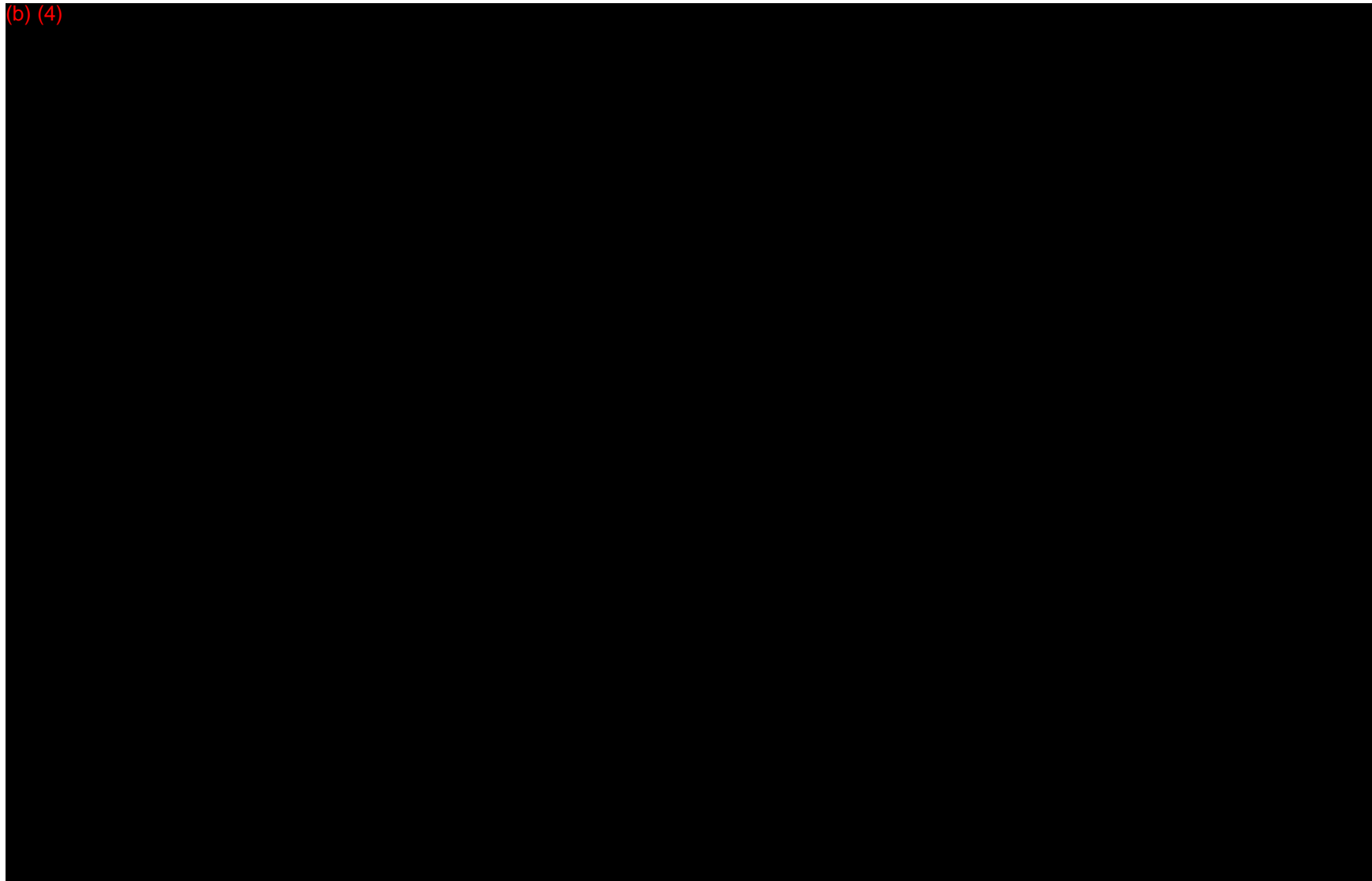


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## UPS Internal Audit, Compliance & Ethics:

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Both books are available in 16 languages via our internal websites and on UPS-issued Blackberry smartphones. The UPS Code of Business Conduct is also available on our external website



- Simplified Chinese
- Traditional Chinese
- Dutch
- English
- French
- French Canadian
- German
- Italian
- Japanese
- Korean
- Polish
- Portuguese
- Russian
- Spanish
- Thai
- Turkish



Key business writings published by each CEO centered around the importance of conducting business in a sound and ethical manner.






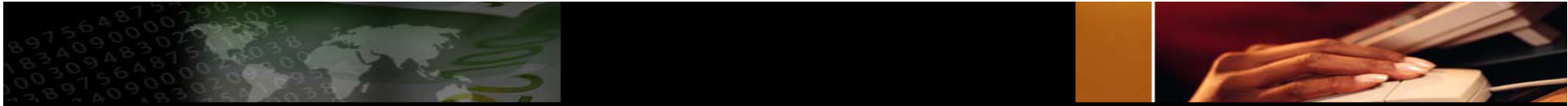


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## Mandatory Employee Training

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**UPS HELP LINE**  
**upshelpline.com**  
**TOLL-FREE 800-220-4126**

The UPS Help Line is a confidential, anonymous way to report unethical or illegal behavior.

**Help is available through:**

- Your manager or supervisor
- UPS Open Door policy
- The UPS Help Line

The UPS Help Line is available 24 hours a day, 7 days a week. The UPS Help Line is for internal issues only and should not be shared with the public.



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### The UPS Help Line:

- Calls accepted 24 hours a day, every day
- Native-language posters displayed in 88 countries
- Calls answered by a third party contractor offering native language translation support at any hour
- Callers may remain anonymous
- Available toll-free globally
- Online submissions accepted from any internet-capable computer or mobile device worldwide via **upshelpline.com**.
- All concerns are managed at the Corporate level with field-level support as needed (b) (4)
- Anonymous callers may follow-up to receive a response or request for more information by using a unique case identification number



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## Worldwide Audit Coverage – 2012

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# Agenda

Online Pharmacy Compliance Program Overview



# Online Pharmacy Compliance Program Overview

## GOVERNMENT REQUIREMENTS

- Nominate Program Auditor
  - Must be a third party
  - Subject to government's approval
- Designate Online Pharmacy Compliance Officer (internal to UPS)
- Implement Training, Reporting, and Investigation procedures
- Submit Written Compliance Program Implementation Certification to Government
- Program Auditor Reviews Compliance Program Implementation
- Program Auditor creates Confirmation Report
- Confirmation Report is sent to Government
- Recommendations made in Report must be implemented
- End of Compliance Program Term



# Online Pharmacy Compliance Program Overview

## Specific Company Tasks to Comply with Government Requirements

- Designate Online Pharmacy Compliance Officer
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- Identify Program Auditor
- Create Reporting and Documentation Protocol
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- Develop Training Program
- Reporting
- Investigations

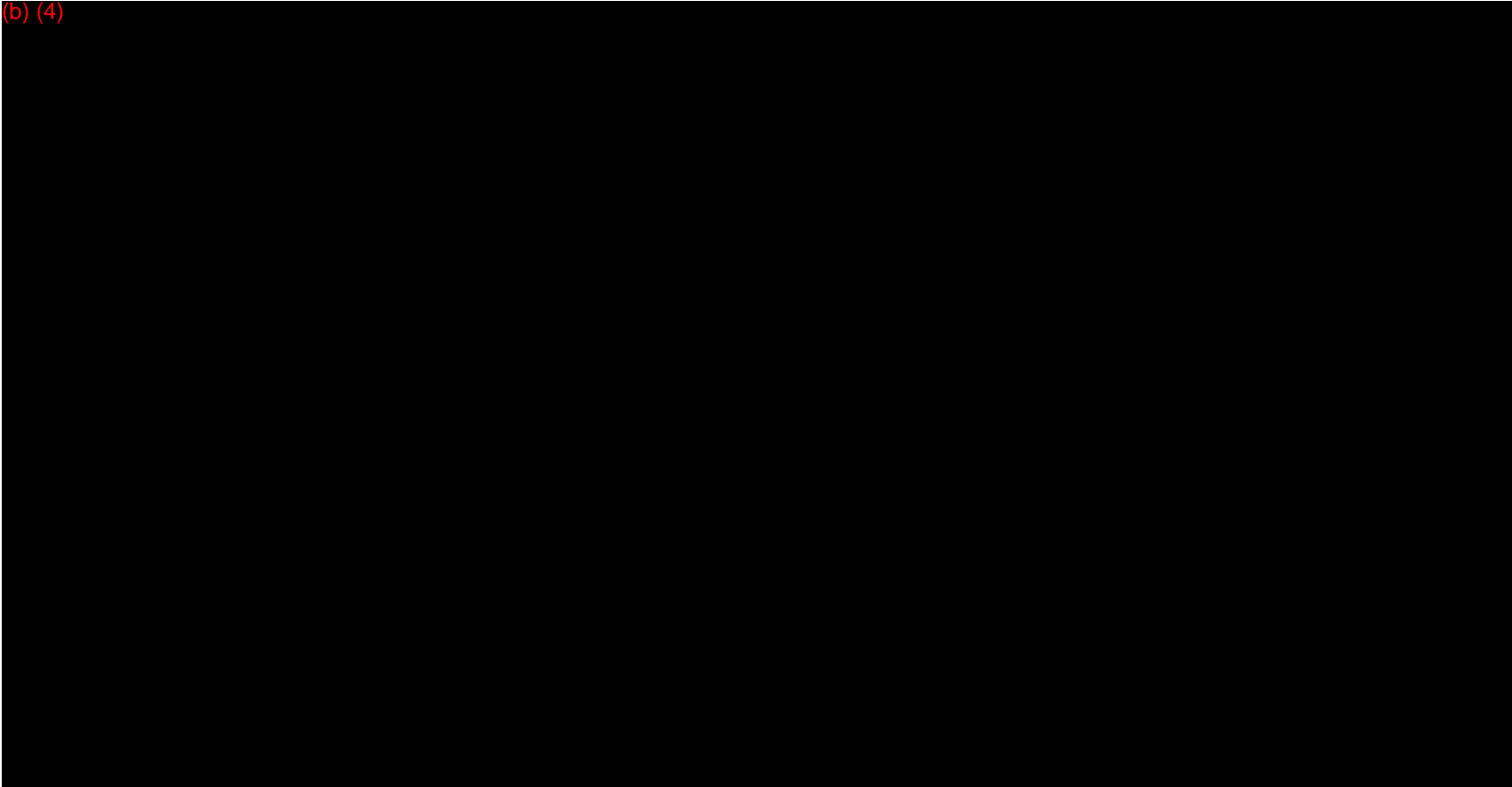




# Online Pharmacy Compliance Program

## Convene Cross-functional Formal Working Committee

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Questions?



Thank You.